

**BEFORE THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017-354-C**

IN RE:

Pay Tel Communications, Inc.,

Complainant,

vs.

Lattice Incorporated,

Respondent.

LATTICE INCORPORATED

("Lattice")

TESTIMONY OF TERRY WHITESIDE

1 **Q. Will you please state your name and business address.**

2 A. My name is Terry Whiteside. My business and mailing address is 7150 N. Park Drive, Suite 500,
3 Pennsauken, NJ 08109. My telephone number is 856-910-1166 and my facsimile number is 856-
4 910-1811.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am the Chief Operating Officer of Lattice Incorporated ("Lattice"). In that capacity, I am
8 responsible for leading the Company on a day-to-day basis, establishing the strategic direction of
9 the Company, evaluating new services and markets, evaluating, negotiating and executing contracts
10 and wholesale agreements with the various underlying carriers, promoting the financial health of
11 the Company, ensuring the Company has policies regarding customer service and ensuring that
12 excellent technical support exists on the Company's network.

13
14 **Q. Please give a brief description of your background and experience.**

15 A. Prior to joining Lattice in 2007, I spent more than 18 years of executive and engineering expertise
16 in the telecommunications industry.

17
18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to explain how Lattice mistakenly entered into contracts in South
20 Carolina before we obtained the proper certification from this Commission and to assure the
21 Commission that Lattice respects the Commission's jurisdiction.

22
23 **Q. Has Lattice registered to do business in South Carolina?**

24 A. Yes. Lattice is registered in South Carolina as a foreign corporation.

25
26 **Q. Please explain the Company's corporate structure.**

27 A. Lattice was originally incorporated in the State of Delaware in May 1973 as Science Dynamics and
28 commenced operations in July 1977. In February 2007 the Company changed its name to Lattice
29 Incorporated to reflect the integration of several previously acquired companies and a new focus
30 on innovative secure communications products and services.

31
32 **Q. Please describe the services Lattice offers in the states where it does business.**

33 A. Lattice provides automated operator-assisted collect and prepaid calling services to inmates and
34 other incarcerated persons in confinement institutions in the places where we operate. Lattice

1 provides correctional and confinement institutions with sophisticated equipment that permits
2 inmates and other incarcerated persons to make outgoing calls without the assistance of a live
3 operator. Lattice's systems provide a number of controls and restrictions that serve to reduce or
4 eliminate fraudulent use of telephone systems. These restrictions also provide the correctional
5 institution with increased control over the use of the telecommunications services by inmates.
6 Lattice's telephone instruments are placed in detention areas such as cell blocks or day rooms. Each
7 instrument is connected to a central control unit which restricts and controls calls placed by inmates.
8 Lattice's system and services allow inmates and other incarcerated persons to remain in contact
9 with family, friends and other associates while still providing facility administrators with the
10 necessary control over inmate communications.

11 Automated collect or prepaid calls may be placed by inmates within the confinement facility. These
12 calls are backhauled over public or private broadband facilities to Lattice's centrally located
13 equipment, then routed to the PSTN. Lattice's system is designed so that calls are completed only
14 to those called parties who specifically accept the charges for a call. Equipment utilized by Lattice
15 requires a positive response from the called party before the connection is established and billing
16 can begin. In addition to call processing, Lattice's systems offer restrictive call blocking and
17 screening. These features provide the correctional facility with the maximum degree of control over
18 telecommunications services and help to minimize fraud. Call blocking prevents calls to directory
19 assistance, "0-", 800 numbers, pay-per-call services, and emergency numbers (including 911) in
20 order to reduce prank calls and fraudulent use of long distance services. Access to other
21 interexchange carriers is also denied. Call screening serves to eliminate harassing or threatening
22 calls to individuals such as judges, sheriffs, witnesses or jury members. These two features also
23 allow the institution to enforce telephone curfews (without manual intervention) by pre-setting the
24 hours during which the system will process calls from a given telephone instrument.

25 Lattice does not offer presubscribed services and therefore does not assign telephone numbers.
26 Lattice's institutional calling services are for the use of inmates and other incarcerated persons in
27 confinement institutions who place calls to family members, attorneys, bail bondsmen, or any other
28 individuals the inmate is permitted to contact, subject to restrictions imposed by the correctional
29 facility management personnel.

30 **Q. What success has Lattice enjoyed in providing service correctional facilities?**

31 A. Lattice technology currently serves approximately 350 correctional facilities and over 78,000
32 inmates in the United States, Canada, Japan, and Europe. In addition Lattice currently provides
33 telecommunications service to approximately twenty-four correctional facilities.

1 **Q. Where is Lattice currently certificated in the United States?**

2 A. Lattice is currently certificated in the following state jurisdictions:

3
4 Alabama, Florida, Georgia, Iowa, Kansas, Louisiana, Massachusetts, Minnesota,
5 Mississippi, Missouri, Montana, Nebraska, Oklahoma, Oregon, Pennsylvania,
6 Texas and Washington.

7 Lattice has also obtained its FCC international 214 license.
8

9 **Q. Has Lattice been the subject of any regulatory or similar action in any of the other**
10 **jurisdictions where it operates.**

11 A. Lattice has not been involved in any other regulatory or similar action in any other state
12 where it operates.
13

14 **Q. Please explain to the Commission how Lattice came to enter into contracts to provide**
15 **telecommunications services to correctional facilities in South Carolina?**

16 A. It was a mistake on our part due to a misunderstanding of the law. When we negotiated the
17 contracts, we thought that we could arrange for the telecommunications portion of each contract –
18 the part of the contract that is regulated by this Commission – to be provided through a subcontract
19 with another carrier. We thought that would be acceptable. We now are aware that isn't a solution.
20

21 **Q. When did Lattice enter these contracts?**

22 A. Both were executed in October 2017.
23

24 **Q. What has Lattice done to correct its mistake?**

25 A. We are in the process of revising our agreements in order to completely remove Lattice from having
26 any contractual rights or obligations to provide any regulated telecommunication service to the
27 correctional facilities. When we complete the revisions of the contract, the correctional facilities
28 will directly contract with a carrier properly certificated in South Carolina to provide the regulated
29 telecommunications services. Lattice will continue to provide certain non-regulated services to the
30 facilities, but it will no longer be involved in the provision of telecommunications services to the
31 two facilities or to any other customer in South Carolina.

1 **Q. Does Lattice intend to apply to this Commission for authority to become a**
2 **telecommunications provider in South Carolina?**

3 A. Yes. We hope that the Commission will resolve the complaint brought by Pay Tel
4 Communications, Inc. in a way that will allow Lattice to apply for authority to compete to provide
5 service in South Carolina. We believe that Lattice can bring new and innovative services to South
6 Carolina and that our offering will bring needed competition to the marketplace. Lattice has a good
7 track record of satisfying the correctional facilities that we serve and will look forward to a chance
8 to show this Commission that we deserve a chance to operate here.

9
10 **Q. Does this conclude your testimony?**

11 A. Yes.